



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

John Lloyd, Treasurer
Defend America PAC
Post Office Box 2626
Tuscaloosa, AL 35403

JUN 28 2000

Identification Number: C00325993

Reference: April Monthly Report (3/1/00-3/31/00)

Dear Mr. Lloyd:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule(s) B, supporting Line(s) 21(b) of the Detailed Summary Page. 2 U.S.C. §434(b)(5) If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the

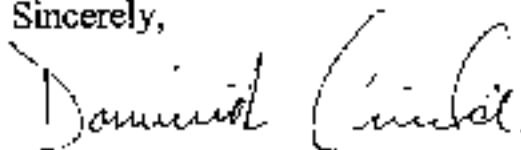
non-election year. Please verify that all expenses referenced above (i.e., rent, salaries, utilities, etc.) have been adequately disclosed. If these services have been provided by volunteers, please confirm this in writing.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B of your report to clarify the following description(s): Consulting, Consulting fees, Consulting services and Reception expenses. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Lines 21(b), 23 and 29 of the Detailed Summary Page of your report disclose totals of \$2,227.64, \$15,000.00 and \$1,000.00, respectively. The sum of the entries on Schedule B, however, indicated the totals to be \$4,455.28, \$30,000.00 and \$2,000.00, respectively. These apparent errors may be attributed to the duplication of the Schedules B within your report. Please amend your report to clarify these discrepancies.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Dominick Ciaraldi
Reports Analyst
Reports Analysis Division

